

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

In the matter of

ROBERT C. FROST/ROBIN FROST,
husband and wife,
6062 E. Ludlow
Scottsdale, Arizona 85254

Respondents.

DOCKET NO. S-03493A-03-0000

DECISION NO. 67357

**STIPULATION AND ORDER OF
DISMISSAL.**

WHEREAS the Securities Division of the Arizona Corporation Commission (“Division”) filed a Notice of Opportunity for Hearing (“Notice”) in the above-captioned matter alleging violations of the Securities Act of Arizona; and

WHEREAS Respondents timely filed an answer denying those allegations and requested a hearing; and

WHEREAS at a public open meeting of the Arizona Corporation Commission (“Commission”) on August 19, 2004, counsel for Respondents represented that Respondent Robert Frost’s employer Morgan Stanley DW Inc. (“Morgan Stanley”) would pay the sum of \$95,000 to the Division for distribution to the investors named in the Division’s Notice; and

WHEREAS the Commission stated that it would enter an Order dismissing the matter upon its receipt of a Stipulation acknowledging that Morgan Stanley had made a payment of \$95,000 to the Division for distribution to the investors named in the Division’s Notice;

NOW THEREFORE, the Division and Respondents STIPULATE and AGREE, and the Commission ORDERS as follows:

I.**STIPULATION AND AGREEMENT**

1. On September ___, 2004, Morgan Stanley tendered to the Division payment in the amount of \$95,000 by check made payable to the State of Arizona for distribution to the investors named in the Division's Notice through the Division's procedures for processing restitution payments.

2. The Division stipulates and agrees that all charges and claims against Respondents Robert C. Frost and Robin Frost should be dismissed.

3. Each party to this proceeding will be responsible for its own legal fees incurred in prosecuting and/or defending this matter and no claim for reimbursement or contribution for any legal expense and cost whatsoever shall be asserted against the other or any third party insurer of the other.

4. This represents the complete and final resolution with respect to all administrative and civil claims and/or causes of action among the parties and their agents, representatives, employers or supervisors of the parties arising out of or related to this proceeding.

By: /s/ Phillip A. Hofling
Phillip A. Hofling
Assistant Director, Securities Division
Arizona Corporation Commission
Attorney for the Securities Division

Dated: 9/16/04

By: /s/ Joseph E. Mais
Joseph E. Mais
Brian C. Lake
PERKINS COIE BROWN & BAIN P.A.
2901 North Central Avenue
Post Office Box 400
Phoenix, Arizona 85001-0400
Attorneys for Respondents Robert Frost and Robin Frost

Dated: 9/13/04

II.
ORDER

IT IS HEREBY ORDERED:

1. The Division and Respondents shall comply with the terms set forth in the Stipulation and Agreement in this matter which is incorporated herein by reference.

2. The matter captioned In the Matter of ROBERT C. FROST/ROBIN FROST, husband and wife, 6062 E. Ludlow, Scottsdale, Arizona 85254, Arizona Corporation Commission Docket No. S-03493A-03-0000, is hereby dismissed with prejudice in its entirety.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

/s/ Marc Spitzer
CHAIRMAN

William A. Mundell
COMMISSIONER

Jeffrey Hatch-Miller
COMMISSIONER

Lowell Gleason
COMMISSIONER

Kristin Mayes
COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 20th day of October, 2004.

/s/ Brian C. McNeil
BRIAN C. McNEIL
Executive Secretary

DISSENT

DISSENT

1 This document is available in alternative formats by contacting Yvonne McFarland, Executive
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4 (PAH)